New, Used, or Leased?

Stretching the Budget to Meet Rising Expectations in a Tanking Economy

By Joel Jackson, cGCS

We pick Hands On topics over a year out so we can provide our advertisers an opportunity to showcase a product or service in an issue with a related story in the Hands On section. Little did we know then how the economy might bite into capital equipment budgets and affect purchasing decisions for a couple of years.

While budgets might be reined in, it appears that golfer expectations have not. Golfers seem to have a disconnect between spending levels and quality levels in grooming. It shouldn’t take a rocket scientist to know that old, worn-out equipment will be less reliable in producing demanded results. I love the quote by Kurt Kuebler at the Everglades Spring Symposium this past April, “No club ever cut its way to prosperity!”

You can choose to delay spending on equipment, but there will be a price to pay for those decisions.

Be that as it may, wear and tear goes on and equipment gets to a point where it’s cheaper to purchase something than to keep pouring repair dollars into it. So what are people doing and how are they keeping their fleets operational to meet expectations in the face of restricted spending?

The most obvious options are buying new, buying used or leasing. Only four superintendents volunteered answers to our Hands On survey on the topic, but in researching articles and reading their responses, we can get a sense of the current trend and hopefully gain some useful ideas.

We’ve all heard about leasing programs, but I didn’t really think about customizing the package to cover the high-use items like mowers and purchasing other items that are used more seasonally, thus having longer life spans.

Speaking of life spans, have you ever had the conversation with a member who also belongs to a club “Up North” and who brags on how long their equipment lasts, like 10 years plus-plus? They never stop to think about those long winter months they are down here playing golf, while their course is closed and the equipment sits idle or gets rebuilt every year or so. Life spans for mowers in Florida are three to five years, since those engines and reels are humming almost daily, year after year.

The mowers may be mowing at that furious pace, but the dollars aren’t there right now for most clubs to stay on those ideal capital equipment replacement programs. Here’s what’s happening at the four clubs in the survey.

1. Three out of four are not planning any purchases this year and one is renewing a complete lease package. One of the three does have some leeway if
a piece of equipment becomes more costly to repair than to replace.
2. Three will consider buying used equipment, “new” demos, etc.
3. Obviously only one leases equipment. They are in their third three-year lease, but will increase to a four-year lease to include more pieces and lower the payments. They will also do a buy-out of the seasonal equipment (aerifiers, etc) in the fifth year.
4. Most critical needs among the three were a roller, a new triplex and an out-front rotary trim mower.
5. Most do not routinely share equipment with other courses, but all confirm that in an emergency fellow superintendents are always ready to lend a hand or piece of equipment. One is part of the IGM group and they do share specialty equipment with one another.
6. In all cases, they report having rigorous preventive maintenance programs in place and tracking scheduled and emergency repairs and repair costs on computerized record-keeping programs. In one case, the course maintains a backup piece of equipment for as many critical units as possible and, with good maintenance and rotating the primary unit after four or five years to a back-up role, they are getting a 10-year life span at that position. However, having back-ups also means needing to have the storage capacity to keep the equipment under cover.

In the case of the course with the lease program, the fact that the equipment technicians are so efficient is the reason they feel that can extend the lease period another year and save money.

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